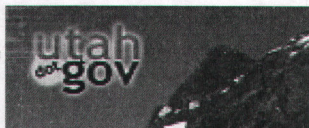


Outgoing
M/001/0067

Peter Brinton <peterbrinton@utah.gov>

~~Bond~~ Cost Calculation Comments**Emailing: Page 36 revised v5.doc, Page 35 revised-v5.doc****Peter Brinton** <peterbrinton@utah.gov>

Tue, Apr 22, 2014 at 6:33 AM

To: Bob Bayer <bob@rjbayerpgeo.com>, Alysén Swenson <aswenson@jbrenv.com>

Cc: David McMullin <DMcmullin@csmining.com>, Leslie Buhler <lbuhler@csmining.com>, Paul Baker <paulbaker@utah.gov>, Wayne Western <WAYNEWESTERN@utah.gov>

Hi Bob & Aly,

Paul asked me to start reviewing the revised bond since Wayne is out until Wednesday. I need to go to Sanpete County today, but will be in on Wed and Thurs (and off on Friday).

Here are my additional comments so far. I/we still need to review your responses to comments 1, 4, and 7 from last week. The other responses were good, except as discussed below. Let me know if there are questions or if I'm not following something.

General

1) The provided cost estimate uses 2013 dollars, not 2014. If we use 2013 costs, we will escalate five years to 2018 dollars, not 2019. We may want 2014 costs.

2) The ITDF acreages don't coincide with those reported in Table 1 of the text, since Table 1 does not seem to include the ITDF topsoil stockpile or road and ditch fill/cut slopes (or else they are included in the 65 or 19.6 acres somehow). The bond calc ITDF acreage is about 100 ac, while Table 1 is 85 acres.

Demolition & Removal

3) Reclamation costs for 580' water well 6 isn't included in the old section 10 (used to be). Has water well 6 been closed? Truck shop well will need to be included at some point.

4) The 2014 stabilization fabric cost is notably higher than the 2013 costs. This may need to be changed to 2014, rather than just adjusting for inflation, etc. Most other costs could be escalated, I think.

Earthmoving

5) The dump calculations use a depth of graded material of 1 foot, not 3 feet as reported. Either correct the calculations or justifiably change the assumptions.

6) The description of the load/haul calculations are different than the RS Means description for the referenced number (e.g. 16 cu. yd. trucks vs 8 cu. yd. trucks). Explain and/or correct.

7) The RS Means number in the ripping calculations is for ideal conditions, while the calculation sheet description identifies adverse conditions. Correct accordingly.

8) Ripping volumes are determined by the depth of the ripping (e.g see the "Dozer-Ripping" spreadsheet). In this calculation, a grading depth of 0.5 feet is used to calculate the ripping volume. Correct to be consistent with ripping depths specified in the table.

9) It looks like the SITLA ore transfer area, and the ITDF Road calculations should include costs for ripping or

scarifying.

- 10) It looks like grading for the ITDF pipeline road (cut/fill) may not have been included.
- 11) I don't see where the west OK stockpile calculations went...
- 12) The residual dry-stack tailings can be reclaimed on-site (eg. disposed with other tailings). I think my last comment left the impression that they needed to be removed for disposal elsewhere.

Revegetation

- 13) Growth medium amendments may not be required, though desirable.
- 14) It sounds like we may need a higher cost than our average cost for hydroseeding of the ITDF embankment. I'll find out.

Peter

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